



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-35-2018)

Foreign-Trade Zone (FTZ) 126 – Reno, Nevada
Notification of Proposed Production Activity
Tesla, Inc.
(Lithium-Ion Batteries, Electric Motors, and Stationary Energy Storage Systems)
Sparks and McCarran, Nevada

Tesla, Inc. submitted a notification of proposed production activity to the FTZ Board for its facilities in Sparks and McCarran, Nevada. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 23, 2018.

Tesla, Inc. already has authority to produce lithium-ion batteries, electric motors, and stationary energy storage systems within Subzone 126D. The current request would add three foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Tesla, Inc. from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Tesla, Inc. would be able to choose the duty rates during customs entry procedures that apply to lithium-ion batteries, electric motors, and stationary energy storage systems (duty rate ranges from 2.8 to 3.4%). Tesla, Inc. would be able to avoid duty on foreign-status

components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include lithium carbonate, silicon composite material, and acrylic copolymer (duty rate ranges from 3.7% to 6.3%).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: May 29, 2018

Andrew McGilvray
Executive Secretary

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